



# TRANSPARENCY INTERNATIONAL-PAKISTAN

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Defence Housing Authority, Karachi.  
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22<sup>nd</sup> August 2014,

General Raheel Sharif,  
(Hilal-i-Imtiaz (Military))  
Chief of Army Staff,  
Head Quarters,  
Rawalpindi

Sub: Implementation of Public Procurement Rules, 2004 in DHA, Lahore, Islamabad  
and Karachi

Dear Sir,

Despite repeatedly pointing out violations of rules by Transparency International Pakistan as well as by the Public Procurement Regulatory Authority, the Defence Housing Authorities Islamabad, Lahore and Karachi are not complied with Rules 12, 13 (1), 23 (1), 33 (1), of Public Procurement Rules-2004, and all such many Contracts worth tens of billion of rupees awarded by them are liable to be declared as mis-procurement under rules No. 50.

On reports of Transparency International Pakistan, Public Accounts Committee took up the matter on 4<sup>th</sup> July 2010, and sent circular No f.1(1).2010-PAC dated 21 June 2010, to the Ministry of Defence.

The Ministry of Defense vide UO No. PI.2/2/D-18/2009 on 31 January 2011 issued following instructions to all departments/sections. **Annex-A**

*“ It is reiterated that the PPRA rules must be observed in their true perspective in letter & spirit while making procurements Violation of those rules will be viewed seriously and Head of Department / Organization will be held responsible for the same.*

GHQ, AG Branch vide letter No 5/MoD/PPAQ/WR-7 dated 15-2-2011, amongst others, also to Administrators of DHA, Islamabad, Lahore and Karachi, for compliance. **Annex-B**

Unfortunately, DHA Islamabad and Lahore are not at all followed the Public Procurement Rules, 2004, and DHA Karachi is following Public Procurement Rules, 2004 and PPRA Regulations 2008 and 2010 in some projects, and violating in some projects.

Public Procurement Rules, 2004 have eliminated all discretions in procurement process and made corruption low profit and high risk business. The credibility of Pakistan Army shall not be put on stake by violations of rules being committed by the three DHAs.

Transparency International Pakistan requests you Sir to kindly direct the Administrators of DHA Karachi, Lahore and Islamabad to cancel all contracts



awarded in violations of the provisions of Public Procurement Rues 2004, and to strictly follow the rules and regulations of PPRA.

Transparency International Pakistan is striving for across the board application of Rule of Law, which is the only way to stop corruption. Pakistan in very poorly ranked 96 overall among a total of 99 countries in the Rule of Law Index 2014, released in August by the World Justice Project.

Yours Sincerely,

Sohail Muzaffar,  
Chairman

Copy forwarded for the information of;

1. Secretary to Prime Minster, Islamabad,
2. Chairman Public Accounts Committee, National Assembly, Islamabad.
3. Chairman, NAB, Islamabad.
4. Minister of Defence, Islamabad.
5. Managing Director PPRA, Islamabad

MINISTRY OF DEFENCE  
(D-18 SECTION)

Subject:- IMPLEMENTATION OF PPRA RULE, 2004.

Reference Ministry of Defence u.o. note of even number dated 4<sup>th</sup> July, 2010 circulating National Assembly Secretariat (PAC Wing) circular No.F.1(1)-2010-PAC dated 21<sup>st</sup> June, 2010.

2. Deputy Director General (Defence Service Audit) has observed that Public Procurement Regulatory Authority (PPRA) Rules 2004 are not being observed in different entities of Ministry of Defence in letter and spirit. This has been viewed with concern by the Principal Accounting Officer i.e. Secretary Defence.

3. The Public Accounts Committee vide their letter No.F.1(1)-2010-PAC, dated 21-06-2010 made similar observations.

4. It is reiterated that the PPRA Rules must be observed in their true perspective in letter & spirit while making procurements. Violation of those rules will be viewed seriously and Head of Department/Organization will be held responsible for the same.

(Zia-ud-Din Khurshid)  
Deputy Secretary (Coord)  
Ph: 9271132 & 9271439

MAG, Rawalpindi	Director (Admin) JSHQ, Chaklala
Surveyor General, Survey of Pakistan, Rwp	DG SD Dte, GHQ, Rawalpindi
DG, MI & C Department, Rawalpindi	En-C's Branch, (EIE), GHQ, Rwp
DG, Pak Mat Department, H-8/2, Islamabad	DCA, NHO, Islamabad
DG, PASB, Rawalpindi	DCP, AHO, Peshawar
DG, ASF, Karachi	DG, ISI, Islamabad
DG, MSA, KDI B Bldg, Karachi	DG, CAA, Karachi
Director, FGEI (C/G), Dte, Rwp	MD, PIAC, Karachi

Min of Def u.o. No. Pt. 2/2/D-18/2009, dated 31<sup>st</sup> January, 2011

Copy for follow-up action, to:-

DS (Army-A)	DS (Army-B)	DS (Navy)	DS (IS-B)
DS (Flying)	DS (CAA)	DS (Admin)	S/O (D-7)

1. bnd in UD
2. Cpy to all PSOs.

DSD(A)

Bd

General Headquarters  
AG's Branch (W&R  
Dte)  
Rawalpindi  
Tel : GHQ: 32029  
05/Mod/PPRQ/WR-7  
15 Feb 2011

To: HQ 4 Corps - Housing Societies Cell  
HQ 5 Corps - DHA Cell  
Administrator DHA Islamabad

Info: Administrator DHA Karachi  
Administrator DHA Lahore

SD-1 (Army Coord) - Wrt note no 6217/1381/SD-1-W98EG of  
3 Feb 11.

AG (Coord) - Wrt note no 34/11/GS Br/11/AG (Coord)-  
WY00D of 9 Feb 2011.

ID: WR (Coord)

Subj: Implementation of PPRA Rules, 2004

Copy of Mindef U.O No. 2/2/D-18/2009 dated 31 Jan 11 on the subj is encl  
for your info / compliance, please.

  
Lt Col  
For Adjutant General  
(Ansar Jamil)

Docu ID: XCILQ APPROVED By AAG Lt Col Ansar Jamil on 15 Feb 2011  
Note: Computer Generated Documents Do Not Require Signature.